

**OFFICE OF THE STATE FIRE MARSHAL  
PIPELINE SAFETY REGULATIONS WORK GROUP  
MEETING SUMMARY NOTES**

**ANNUAL INSPECTIONS MEETING (January 26, 2015)**

A discussion regarding the annual inspections took place. The current USDOT PHMSA certification requires the OSFM to conduct seven different types of inspections on a 5-year rotational basis. The new law requires the OSFM to conduct an inspection on all jurisdictional intrastate pipelines every year (but not all seven types of inspections every year).

The following topics were discussed during this meeting:

- Conducting an asset inspection on a 3-year basis within a 5 year cycle
- Collecting In-line inspection data to help develop a risk based assessment model
- Risk based modeling, like what the Pipeline and Hazardous Materials Safety Administration (PHMSA) uses, based on criteria such as age, length, location, history, and ownership.
- Third-party damage is the leading cause of damage and should be considered when developing the annual inspection requirement.

**ANNUAL INSPECTIONS MEETING (March 1, 2016)**

The OSFM proposed that each year an annual screening questionnaire be sent out to each pipeline operator and the OSFM would meet with each pipeline operator annually to discuss the findings of the questionnaire. The results of the meeting and the questionnaire would be combined in order to establish what would be focused on during the annual inspection.

The annual screening questionnaire questions were discussed and agreed upon. The annual screening questions were distributed to each workgroup member. The Work Group discussed at length the draft regulations and came up with a first draft.

**ANNUAL INSPECTIONS MEETING (April 12, 2016)**

The proposed language included three main components:

1. Annual inspections of pipelines and pipeline operators
2. Required paperwork, annual screening questionnaire, and supporting documents
3. Violations

The annual screening questionnaire was identified as “Form PSD-101”.

The Work Group had discussions on the following:

- The potential impact on company workforce and finances regarding the due date of Form PSD-101.
- That the form would be filled out specific to each pipeline, not as each inspection unit.
- Concern about the due date due to the budgeting period for the industry.
- The Work Group suggested a 30-day extension which could be granted on a case by case basis.
- About the possibility of the Form PSD-101 being available in a digital format, with revisions to the Annual Operator Questionnaire, and compiling both forms into one.
- Operator privileged information and how it would be handled.
- What the time frame for submitting the Form PSD-101 would be
- Possibly matching the required response period that PHMSA has (the OSFM has a 90-day response requirement).

**ANNUAL INSPECTIONS MEETING (May 18, 2016)**

The Work Group worked on the “Annual Inspection Guidelines”. There are four main components of the “OSFM Annual Inspections”:

1. OSFM receives a completed Form PSD-101 from the operator
2. OSFM conducts a thorough review of each Form PSD-101, conducts its own database review of the operator’s leak history, violation history, and inspection history to look for risks, trends, and safety issues. Based on all of this information, the OSFM assigns “Inspection Modules” to each of the operator’s jurisdictional pipelines contained in the specific OSFM Inspection Unit. An Operator Inspection is set up with the operator.

3. OSFM Conducts an Annual Operator Inspection (records, documents, procedures) based on their Form PSD-101 responses and the OSFM database review). A discussion of any new developments or changes with the operator can be done at this time. OSFM will confirm what inspection modules have been assigned to each pipeline.

4. OSFM returns at a mutually agreed upon date to conduct the Annual Pipeline Inspection using the specified set of inspection modules that were assigned to a specific pipeline

There was also discussion about blending OSFM language with the language used on the Pipeline and Hazardous Materials Safety Administration (PHMSA) Form 7000-1.1 report. PHMSA is working on new regulations with regards to reporting criteria for anomalies and this might be a moot point. It was agreed that OSFM would try to blend some OSFM wording with PHMSA wording.

It was concluded that annual inspections would enhance the existing inspections required by PHMSA because of the following reasons:

1. “Modular based Annual Inspections” would always be relevant because they are based on an individual risk analysis of each pipeline which allows inspectors to focus their limited time on the areas of concern.
2. A new analysis is conducted on every pipeline, every year, using the most current information from our operators and our OSFM databases.
3. Annual modular-type inspections keep both the operators and inspectors aware of what changes are going on with the individual operator as well as changes to the entire pipeline industry as a whole.
4. In addition to the OSFM Annual Inspections, the OSFM will continue to conduct full PHMSA Standard Inspections – and the six other mandated PHMSA inspections – every five years.
5. The OSFM Annual Inspections will focus on the risks of every pipeline and carry out customized inspections that will mitigate these risks over time.
6. The OSFM will be able to identify and mitigate problems at the earliest stage because of these Annual Inspections.

**ANNUAL INSPECTIONS MEETING (June 9, 2016)**

The OSFM has sent out the SB 295 Annual Inspection “Economic and Fiscal Impact” survey.

The OSFM anticipates that it will take one to two days for the annual operator inspection and from two to three days per” inspection unit” (not per each pipeline) for the annual pipeline inspection.

Operators should take everything into account when filling out the Economic and Fiscal Impact survey and should include both the initial costs and the annual on-going costs.